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SFO secures conviction of investment manager for £100 million no-win-no-fee fraud



The Serious Fraud Office (SFO) has today secured the conviction of former investment manager David Kennedy for his part in a £100 million investment fraud in which hundreds of people lost their savings, following a re-trial at Southwark Crown Court.

Kennedy and his business partner Timothy Schools managed the Cayman Island registered company Axiom Legal Finance Fund for over two years. They

promised investors a secure return, by offering loans to UK law firms that were pursuing no-win-no-fee cases and where there was purportedly a high chance of success.

An SFO investigation – that has already resulted in Schools being sentenced to 14 years in prison for fraud – uncovered that Kennedy used investor money to fund thousands of high risk cases, that were not independently vetted and often failed at court. Few investors ever received any return.

The SFO also found that Kennedy diverted over £5.8m from Axiom to pay for items for his own benefit including a Swiss ski resort chalet, a Tenerife villa and renovations to his home in Hull. These funds were hidden in offshore bank accounts and complex trusts.

Kennedy will be sentenced on Wednesday 8th of May.

Nick Ephgrave QPM, Director of the Serious Fraud Office (SFO), said:

“This individual’s criminal actions flooded the legal system with unwinnable cases affecting hundreds of people who suffered financial loss and significant anxiety as a result. This criminality also served to undermine trust and confidence in the legal profession more widely.

Our specialist team used their expertise to unpick a complex trail of payments, including into Kennedy’s personal accounts, to secure justice for victims today.”

Contact Information

Aster Ferguson

aster.ferguson@sfo.gov.uk

Notes to editors

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- David Kennedy (DOB 07.01.1953), a former independent financial adviser, was

found guilty of one count of fraudulent trading.

- Timothy Schools (DOB 19.03.1961), a former solicitor, was jailed in August 2022 after being found guilty of three counts of fraudulent trading, one count of fraud, and one count of transferring criminal property. [See more information here.](#)
- At the trial in 2022, the jury acquitted a third defendant, Richard Emmett, on all charges.

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